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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000913

SIPDIS

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TAGS: [PGOV](#) [TW](#)

SUBJECT: DPP CHAIR TSAI HOLDING STEADY BUT HURDLES REMAIN

REF: A. REF A TAIPEI 754  
[1](#)B. REF B TAIPEI 529  
[1](#)C. REF C TAIPEI 896  
[1](#)D. TAIPEI 903

Classified By: Acting Director Robert S. Wang,  
Reasons: 1.4 (b/d)

[1](#)1. (C) Summary. DPP Chair Tsai Ing-wen appears to have a firm handle on party politics this summer, partly due to initiatives on a referendum on President Ma's proposed Economic Cooperation Framework Agreement with China and on judicial fairness. Tackling these projects that appeal to broad segments of the DPP has somewhat silenced Tsai's critics. Nonetheless, the party's underlying problems, particularly disunity, will continue to pose a challenge for Tsai. End summary.

Summer Breaks  
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[1](#)2. (C) After months of facing steady criticism and acknowledging heavy pressures, Democratic Progressive Party (DPP) Chair Tsai Ing-wen launched two seemingly well-received initiatives this summer that have helped steadied the party's often turbulent waters for now and brought Tsai some relief. The DPP-led efforts to push for a referendum on President Ma's proposed Economic Cooperation Framework Agreement (ECFA) with China and to urge fairness in Taiwan's judicial system, particularly in the corruption trial involving former President Chen Shui-bian (see ref A), are helping to bring a degree of unity to the party, maintained DPP International Affairs Director Bikhim Hsiao and Taipei City Councilor and DPP Central Executive Committee Member Wu Szu-yao to poloff in recent meetings.

[1](#)3. (C) The ECFA and judicial fairness campaigns are resonating with broad segments of the DPP and show that Tsai is capable of taking action. Green supporters had been criticizing Tsai for being "weak" (see ref B), and radical party members had blasted her for not doing enough to defend Chen. While party members may disagree on whether Chen committed crimes, there is general consensus that he deserves a fair trial, explained Hsiao.

[1](#)4. (C) Tsai also enjoyed a break, when Taiwan's Cabinet indirectly helped resolve the party's embarrassing candidate dilemma for Green stronghold Tainan County. The Cabinet decided on June 30 to approve the merger of Tainan City and



County into a special municipality, effectively eliminating those races from this year's December 5 local magistrate elections. (Notes: The DPP had nominated legislator Lee Chun-ye for Tainan County magistrate but former Presidential Office Secretary General Mark Chen refused to pull out of the race and continued campaign efforts. The magistrate of the new Tainan special municipality will be elected at the end of 2010.) The decision to merge Tainan and essentially postpone an election until next year was "like a gift from heaven," said Wu Szu-yao.

15. (C) The DPP's July 27 decision to expel two prominent members for ignoring a party ban on their travel plans to China (see ref C) also helped bolster Tsai's image and made her look strong and tough. The party needed to uphold its regulations on China travel, explained Wu. (Note: The DPP issued new rules in June, requiring all ranking party and government officials at the city and county councilor level and above to report non-personal travel plans to China to party headquarters.)

Challenges Await  
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16. (C) The DPP Chair appears to be doing better lately because of the campaigns not because of her capability, claimed Wu. The division within the DPP remains a problem, Hsiao and DPP Central Standing Committee Member Luo Wen-jia told poloff during separate meetings. Factions remain pervasive, and Luo said Tsai missed out on a prime opportunity to reform the party after the DPP experienced

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heavy defeats in the 2008 legislative and presidential elections.

17. (C) Tsai is trying to work with radicals within the DPP and has won the support of some but not all, Hsiao noted as she explained that Tsai may soon need to decide whether to continue to try to win them over or move forward with her agenda. Reforming the party, for example, has long been one of Tsai's priorities but party disunity, Ma's cross-Strait policy, Chen's corruption cases, and other issues have kept Tsai from making much progress on that front. Reform still remains a priority but is an "ongoing process," said Hsiao.

18. (C) The DPP Chair also may need to take more initiative and give the party a firm direction. DPP members currently disagree on the party's primary focus, with some arguing it should be elections and others maintaining the need to protect core values such as sovereignty, explained Hsiao.

Comment  
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19. (C) The subsided pressure on and criticism of Tsai has indeed been reflected in our meetings with her and other DPP contacts. Tsai had regularly expressed the pressure on her in previous meetings with the former AIT Director but such comments were noticeably absent in her July 28 meeting with the AIT Acting Director (see ref D). Similarly, DPP and pro-Green contacts have not uttered the word "pressure" when discussing Tsai in recent meetings, unlike in past conversations. Nonetheless, the campaigns and developments this summer may have only temporarily reduced the pressure on Tsai and the criticism. While they may have bolstered Tsai because they appealed to broad segments of the party, the initiatives and developments did little to narrow the divide within the DPP.

110. (C) At the same time, however, the DPP's performance in the upcoming year-end elections will also be viewed as a test of Tsai's strategic thinking and leadership ability. While no longer as significant, a disastrous showing in the elections will likely generate a call for change. The DPP currently holds just 3 of the 17 seats up for grabs in the



elections.  
WANG